INFORMATION LETTER

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OPA ANNOUNCES BASIS FOR ESTABLISHING PEA PRICES

Furnishes Price Ranges and Permitted Increases for Five Areas

Prices for the 1944 pack of canned green peas are contained in Appendix C of Section 15 of Supplement 7 to Food Products Regulation 1, issued by the Office of Price Administration on August 19, 1944, and effective August 19, 1944.

The permitted increases and the price ranges for No. 2's shown in tables on pages 8354-55, may be used by canners to establish their 1944 ceiling price for any item shown, provided sales were made during the base period and a base price can be established. The ceiling price will be computed by adding the permitted increase to the base price. If the result of this addition gives a figure that comes within the appropriate price range no adjustment is necessary. If, however, it is higher than the upper limit of the price range, it must be adjusted to the highest price of the range; if lower, it may be adjusted to the bottom price of the range. The permitted increases and price ranges for No. 10's are not reproduced. In most instances they are 5.08 times the figures shown for No. 2's.

Maximum prices on government sales will be 96 per cent of the ceiling price as established above. Maximum prices at which canners may sell to the civilian trade will be 20 cents a dozen lower for No. 2's and $1.02 per dozen lower for No. 10's. These figures represent the subsidy payments that may be claimed on civilian sales.

If a canner made *no sales* of canned peas during the base period his gross ceiling price will be the middle of the price range for each item. The exact figures will be shown in tables appearing in the complete Appendix. If a canner sold *some but not all items* of canned peas during the base period, he may fill in the blanks in his price list by using conversion factors that will likewise be included in the complete Appendix.

Canners when calculating their gross ceiling prices should be careful to use the permitted increase and the price range shown for the pricing area in which peas were packed. These areas are as follows:

1. Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia.

2. Indiana, Illinois, Ohio.

3. Alabama, Arkansas, Florida, Georgia, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Wisconsin.

4. Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Utah, Wyoming.

5. California, Oregon, Washington.

The full text of the pea price regulation will be available next week.

More Cucumber Pickles to be Reserved to Meet Army Needs

The quantity of cucumber pickles, cucumber pickle products and acquirements which a packer must first contract to sell to the army before making other sales has been raised by the War Food Administration from 25 per cent to 40 per cent.

Effective August 17, this action is contained in an amendment to War Food Order 101 which freezes the sale of cucumber pickles and cucumber pickle products until the specified percentage has been contracted for sale to the army. Transactions completed prior to the effective date of the amendment under the provisions of the order are valid as made.

WFA officials explained that the new amendment does not indicate greater army procurement needs but that it is necessary to increase the percentage of cucumber pickles and cucumber pickle products reserved for the army, in order to meet original requirements. At the time the 25 per cent reserve was established (June 5, 1944) it was not known exactly what proportion of the pack would be needed for army procurement. From an estimated pack of 36 million gallons during the 1944-45 season, the army procurement requirements, under the coordinated buying program which purchases for all government agencies, are estimated at approximately 13 million gallons.

SURPLUS DISPOSAL BILLS CONSIDERED BY CONGRESS

Separate Legislation Dealing with Foods Now Seems Unlikely

As part of its endeavor to enact legislation dealing with problems which will arise with the termination of the European war, Congress turned last week to a consideration of legislation controlling disposition of surplus Government property. It will be recalled that up to this time a great many legislative proposals have been made covering the disposition of surplus Government property and that during the early part of 1944 various branches of the food industry, including the canning industry, worked on the problem of formulating separate legislation covering the disposition of surplus food stocks. The War Food Administration appointed a group of Task Committees to consider this question and in January, 1944, a proposed bill was drafted (see INFORMATION LETTER No. 975, March 4, 1944, page 8104). The various bills and questions involved in this legislation were fully reviewed in INFORMATION LETTER No. 978, March 25, 1944, pages 8131, 8140-42.

The separate legislation covering surplus foods alone, proposed earlier this year, embodied several principles deemed important by the entire food industry. The first was that all surplus food should be disposed of by the War Food Administration, which was given the power to require all other government agencies to report to it. The second was that the established and recognized channels of distribution should be used, including a provision that trade-marked foods should first be offered to the person who originally packed and sold them to the Government. A corollary section authorized the registration of established processors and distributors who were regularly engaged in the food business in order to avoid speculation in surplus foods. Finally, there were specific provisions for commodity advisory committees representing producers, processors, and distributors, which committees were to be drawn from the existing WFA Advisory Committees. In short, it was felt that the problems attending the disposition of surplus

foods was somewhat different from those involved in the disposition of other commodities, and specific legislative provisions were offered and incorporated in the bills introduced at the request of the food industry.

It now appears likely that because of the current pressure for legislation an omnibus measure will be enacted dealing with the disposition of all surplus property, including food, and that Congressional consideration of the food industry bills will be deferred. The House approach to the problem has been through the Postwar Economic Policy and Planning Committee, which considered the problem on an overall basis and on August 10 recommended a general bill which was introduced as H. R. 5125 by its Chairman, Mr. Colmer. This same bill was taken over by the House Committee on Expenditures of the Executive Departments and favorably reported. On August 15 the House began debating this bill and its passage appears likely.

The Colmer bill in general follows the recommendations of the Baruch-Hancock report and provides for the creation of a Surplus Property Administrator who shall have control over the disposition of surplus property with the aid of an Advisory Board composed only of heads of the various Executive Departments. The determination of what property is surplus is left to the owning agency, and if the Administrator thinks that there is surplus property which has not been declared, he is authorized to report the matter to Congress.

The Administrator is authorized to designate various government agencies to dispose of particular types of property and probably will designate the War Food Administration as the disposal agency for surplus foods. To this extent it does not appear likely that the Colmer bill would change the existing practices of the War Food Administration. It is specifically provided that the disposing agency may donate property of low commercial value to educational or charitable organizations. The policies governing disposition are set forth in some detail. Among them is the direction—

"(c) To afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises.

"(d) To encourage and foster postwar employment opportunities.

"(e) To afford smaller business concerns, farmers, and agricultural enterprises generally an opportunity to acquire surplus property on equal terms with larger competitors; to provide as far as practicable for uniform and wide public notice concerning surplus property available for disposition and for adequate time intervals between notice and disposition so that all interested persons shall have a fair opportunity to acquire; to utilize commercial channels of distribution to the extent consistent with efficient and economic distribution, and to discourage disposition to speculators; to collaborate with Smaller War Plants Corporation; and to employ other appropriate means to give effect to this subsection."

There is a specific provision that former owners of surplus real property shall be given an opportunity to reacquire such property, but there is no provision similar to that in the earlier proposals of the food industry requiring former owners of trade-mark personal property to be given a similar opportunity. It is likewise provided that the Administrator shall endeavor—

"(h) To dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property; and to facilitate prompt redistribution of such property to consumers.

"(i) To prevent insofar as possible unusual and excessive profits being made out of surplus property.

"(j) To realize the highest obtainable return for the Government from such surplus property, consistent with the policies and objectives set forth in this Act."

There are detailed provisions governing the disposition of government-owned plants with the further requirement that the Attorney General may pass upon whether the sale of such plants to any concern would involve a violation of the anti-trust laws.

On August 17 the House began consideration of specific amendments to the Colmer Bill and tentatively adopted several. Of particular interest to canners is an amendment offered by Representative Patman of Texas which the House tentatively approved.

This amendment would require the appointment by the Surplus Property Administrator of a "sales and advisory committee . . . for each class of" surplus property. The committee would be composed of representatives of large and small retail, wholesale, and manufacturing businesses who "are familiar with the handling and marketing" of the class of property for which the committee is established.

A final vote on the Colmer Bill and amendments is expected as the INFORMATION LETTER goes to press.

At the same time the Senate is dealing with surplus property disposal. On August 10 there was introduced in the Senate a bi-partisan proposal, S. 2065, which substantially follows the Colmer bill in the House. This provides, however, for consultation with a Surplus Property Advisory Council which shall include—

"representatives of industry (including manufacturing, mining, and the distribution trades, and giving full representation to small business), labor, agriculture, and the consuming public."

The Senate bill likewise provides that each disposal agency, which would include the War Food Administration in the case of food

"shall organize advisory committees with which it shall consult regarding policies and procedures to govern disposal of the various classes of surplus property under this Act. Such committees shall be fairly representative of—

"(a) The larger business units of the interested trade or industry, including its wholesale and retail distributors, if any;

"(b) The small business units, therein, including distributors;

"(c) The labor groups interested therein; and

"(d) Interested farm, consumer, and other groups, if any."

The Senate bill also contains specific provisions designed to prevent discrimination against small business in the disposal of Government property. These require the widest practicable notice in advance, the reduction in the size of the lots of goods offered for sale so as to permit them to be purchased by small business enterprises, and the sale of goods on a credit or time basis where necessary to aid small business.

Likewise, although both the Colmer bill and the Senate bill, S. 2068, are overall surplus property disposal bills, they contain some special provisions applicable to certain industries. Both require that the sale of vessels be solely in the hands of the United States Maritime Commission. The Senate bill provides for the stockpiling of all strategic minerals and metals rather than for the immediate liquidation of such commodities. In the case of agricultural lands taken by the Government, the former tenant of such lands is given special opportunities to repurchase it where the owner fails to do so. Both bills contemplate special opportunities for veterans.

Both bills basically confer wide discretionary authority upon the Administrator and leave to him the working out of details as to means and methods with the safeguard that quarterly reports must be made to Congress which also must be given copies of all regulations governing the disposal activities.

SUMMARY OF WAR MOBILIZATION AND RECONVERSION BILL PASSED BY SENATE AND NOW BEFORE HOUSE COMMITTEE

Legislation is Intended to Provide for Continued War Production as Well as Reconversion

On August 11 the Senate passed a comprehensive statutory plan providing for administrative machinery and announcing the policies to govern continuance of war production and simultaneous reconversion from war production to a civilian peacetime economy. The legislation seeks to carry out the recommendations of the Baruch Report on industrial demobilization and deals with contract termination, industrial demobilization, training and reemployment of war workers, unemployment compensation to lessen the shock of sudden unemployment, and studies of future public works programs. The legislation as passed by the Senate adopts the Baruch recommendation that the present Office of War Mobilization should be granted over-all supervision of these matters to continue during the present war and for two years after the termination of hostilities. This supervision is to be exercised in accordance with the broad policies announced by the bill.

The bill is a combination of proposals made by Senator George and Senators Murray, Kilgore and Truman. The primary conflict in the Senate developed around the issue of unemployment compensation for unemployed service men and war workers, principally whether unemployment compensation should be based on uniform national standards financed by the Federal Government, as proposed by Senators Murray and Kilgore, or on the State standards as proposed by Senator George. The Murray-Kilgore proposal was for national unemployment compensation benefits ranging from $20 to $35 per week, according to the number of dependents, which would be administered by the various State unemployment agencies. The George proposal, adopted by the Senate, leaves the administration of unemployment benefits to the State agencies to be conducted solely under the standards fixed by the applicable State unemployment laws.

The bill is now before the House Ways and Means Committee, which is contemplating public hearings on the measure. The House, which is considering surplus property legislation, may make some changes to conform the George bill to the House surplus property legislation, which is discussed elsewhere in this INFORMATION LETTER.

The bill declares that the legislative aim is to "facilitate maximum war production during the war and to expedite the transition from war to peace" and "to achieve full employment" and rising standards of living during and after the transition period.

No specific method by which these purposes are to be met is proposed by the bill. Instead, it declares broad policies and then delegates to the Director of War Mobilization and Reconversion the task of working out, in conjunction with the numerous operating Federal agencies and the Congress, specific means of complying with the Congressional policies to achieve the legislative objectives.

In substance therefore the bill is no more than an announcement of overall policy. Details are to be filled in by administrative action and any subsequent legislation which may be necessary.

Administrative Organization

The administrative organization to handle war mobilization and reconversion problems is substantially that now operating under the Office of War Mobilization, headed by War Mobilization Director Byrnes. The Senate bill creates an Office of War Mobilization and Reconversion to be headed by a Director appointed by the President with the consent of the Senate. The bill does not disturb the present Surplus War Property Administration (created by Executive Order No. 9425) or the Retraining and Reemployment Administration (created by Executive Order No. 9427) or the Office of Contract Settlement (created by the Contract Settlement Act of 1944, Public Law No. 395, 78th Cong., 2d Sess.); but incorporates them all within the Office of War Mobilization and Reconversion and grants to the Director broad policy powers over all of these agencies.

The bill also establishes an Advisory Board to be composed of twelve members appointed from industry, labor, agriculture and the public, which is to assist the Director in an advisory capacity only in the administration of the Office.

The entire organization and operation of the Office by the Director is to be under the continuing surveillance of a Special Joint Congressional Committee on Postwar Adjustment established by the bill. This special Congressional Committee would consist of four members, two from the Senate and two from the House. The general function of this Committee is continuously to study demobilization and postwar adjustment problems and recommend appropriate legislation in conjunction with the Director, the President, and appropriate Congressional Committees.

Functions of the Administrative Organization

The Director of the Office of War Mobilization and Reconversion will perform the function of developing and coordinating broad administrative programs and policies governing continued war mobilization and simultaneous reconversion to peacetime production, and the attendant problems. These policies will be developed by the Director with the advice of the Advisory Board and the special Joint Committee on Postwar Adjustment. When a particular plan of action is adopted it will be administered by the various subdivisions of the Office under general instructions issued by the Director.

The Director is specifically granted by the bill very broad powers. He is to formulate "such plans as are necessary to meet the problems arising out of the transition from war to peace in such manner as to achieve the objectives of this Act." In order to make these plans effective, the Director is authorized to issue whatever directives to whatever Executive agencies necessary to carry out the plans, and the other Executive agencies are directed to conform with these directives. In issuing these directives and in formulating these plans, the Director is granted the power to promote and assist in the development of demobilization and reconversion plans by all Federal agencies, to settle controversies among the various Executive agencies, and to develop a procedure by which the various agencies are kept advised of demobilization plans which affect their particular field.

In addition, the Director is required to study and recommend legislation which will provide authority to carry out the plans which he has formulated for the transition from a war to a peacetime economy. He is also authorized to require studies and reports to be made for him by the various Executive agencies so that the Director may formulate coordinated plans and determine the need for simplification, consolidation, or elimination of the present emergency war agencies. In this connection, the Director is also required to institute a specific study to be submitted to the President and Congress of the present functions of the numerous agencies regulating manpower and to develop a special pro-

gram to reorganize and consolidate these manpower agencies.

Finally, the Director is required to make quarterly reports to the President and the Congress on the activities which he has undertaken and proposes. In these reports, the Director is to examine and analyze the functions of the various Federal agencies in relation to their contributions to demobilization and the postwar adjustment and may make specific legislative proposals.

The functions of the Advisory Board are, as the name indicates, purely advisory.

On the Congressional side, the Special Joint Committee on Postwar Adjustment would perform for Congress substantially what the Director will perform for the Executive side. This bill contemplates that the Congressional and Executive representatives, that is, the Director and the Special Committee, will work together in developing specific plans and procedures for postwar demobilization and reconversion. It is clear from the description of the duties imposed upon the Director that the bill does not propose any specific programs but delegates broad powers to Executive and Congressional representatives on the assumption and expectation that they will proceed to develop specific plans which will be submitted for Congressional examination and adoption. The general public, as represented by the Advisory Board, will play a part in the shaping of these specific policies to the extent that their recommendations are accepted. In effect, therefore, the Congress has not attempted to make any specific answers at this time but has left them to be reached as the questions and problems develop.

Industrial Demobilization and Reconversion

The bill by Title II announces two policies: First, prime war contracts shall be immediately terminated as soon as the need for the particular war material has ended and no war contract shall be continued merely for the purpose of providing business or employment or for any purpose other than prosecution of the war. Second, the curtailment or termination of war production and war contracts are to be integrated and synchronized as far as possible with the resumption of peacetime production. This policy, however, is not to permit any injury or hindrance to the prosecution of the war.

The bill then provides administrative machinery by which these policies are to be carried out. It directs the contracting agencies to keep the Director continually informed of their anticipated changes in requirements and their anticipated curtailments or terminations of war contracts. The bill also directs the manpower agencies to permit resumption and increase of non-war production whenever this non-war production will not interfere with war production. In this connection the bill specifically provides that non-war production shall be allowed even if one or more persons who customarily competed in the same market are still engaged in war production. In other words, the bill specifically prohibits withholding permission to resume non-war production until all competitors can resume competition simultaneously in the same field.

The Director, in order to carry out the broad general policy announced by the bill, is directed to establish specific policies to be administered by the Office of Contract Settlement and other contracting agencies in terminating contracts and to set up specific policies for consultation between war contractors and the government agencies by which the most efficient use of war materials released by termination or curtailment of war contracts may be used either in other war production or in non-war production.

A special procedure is provided to control relaxation of restrictions on manpower, production, and allocation of materials. The bill announces the policy that, after it has been decided to relax the restrictions on use of manpower, materials and production facilities for non-war use, the new and relaxed restrictions shall not discriminate against or prevent a small plant from engaging in resumption of non-war production. To assure that this policy is performed, the bill establishes within the Office of War Mobilization and Reconversion, a three-member Board of Appeals to be appointed by the President with the consent of the Senate. Whenever any person has a grievance about the allocation by the government agencies of materials for non-war production, he may appeal the decision to the Board of Appeals. If he shows to the Board that his business operations will be seriously harmed because of a shortage of necessary materials or that his inability to resume business will create a serious unemployment problem, or that the consumers of the articles manufactured by him will be substantially injured, the Board of Appeals shall report these facts to the Director. The Director is then required to make whatever allocations of materials may be necessary to relieve the hardship complained of.

Finally, the bill by indirection announces a policy of preventing creation or increase of monopoly during the transition period. This is done by directing the Attorney General to continually survey from time to time factors which tend to eliminate competition or create monopolies and to report them to Congress. The first report by the Attorney General would be required within 90 days from the date of enactment.

Retraining and Reemployment

The present Retraining and Reemployment Administration created by Executive Order and incorporated by this bill within the office is given the duties of generally supervising, directing, and coordinating all government agencies administering retraining and reemployment of persons released from war work. The operations of the Veterans Administration, however, are exempt from the control of the Retraining and Reemployment Administration. The bill does not make any specific provision what the policies for retraining and reemployment of discharged war workers shall be. However, the Administrator of the Retraining and Reemployment Administration is authorized to provide transportation for discharged war workers from the place of their war employment either to their homes or to the place of the new peacetime employment obtained by the former war worker. The cost of the transportation which may be paid by the Government would be limited to not more than $200 for any war worker and his family.

The bill specifically states the policy that no members of the armed forces shall be held in the Army or Navy after there is no longer any need for their services in fighting the war or for the national defense, and the Army and Navy Departments are specifically prohibited from holding its personnel in the armed forces "merely for the purpose of preventing unemployment or awaiting opportunities for employment."

Finally, the Administrator of the Retraining and Reemployment Administration is authorized to confer with all interested people and groups to develop programs for reemployment and expansion of employment and to recommend whatever legislation is necessary for these programs.

Unemployment Compensation

Unemployment compensation is a particularly important matter during the transition period because of the anticipated unemployment resulting from decrease and termination of war production. As previously stated, one of the main issues in consideration of this

bill was the problem of whether payment of unemployment compensation to discharged war workers would be under uniform Federal standards financed by the Federal Government or under the various State standards. The bill provides for payment of unemployment compensation benefits only under State standards. Thus, the present State operations are left unchanged, but Federal financial aid would be available to the States.

Under the Social Security Act, States pay into an unemployment trust fund monies collected under the State statute. This unemployment trust fund is administered by the Secretary of the Treasury and each State has an account in this fund representing the contributions to the fund by the State. The Secretary of the Treasury is required to maintain a separate book account for each State agency and to make the appropriate debit and credit entries for deposits and withdrawals by each State.

The bill proposes to strengthen the State unemployment compensation by making advances without interest to the States, which will be ultimately repaid by the State from its receipts under its particular State statute. This would be accomplished by creating in the unemployment trust fund a special "Federal unemployment account" which is to be maintained by Federal appropriations. Whenever the unemployment compensation payments made by a State in any quarter exceed its receipts, the State may then apply to the Social Security Board for an advance from this Federal unemployment account to meet the drainage made on its own fund by its own unemployment compensation payments. This advance is made without interest and is to be repaid by the State whenever its receipts exceed its unemployment compensation payments. This plan, consequently, leaves the entire administration of unemployment compensation in the hands of the present State unemployment agencies, with the Federal Government merely acting as a financial backer. The statute prescribes detailed methods for computing the advances, debits and credits against each State account.

Under the bill unemployment compensation payments to unemployed Federal workers may also be made by the States. Ordinarily Federal employees are excluded from receiving unemployment compensation payments under a State act. However, the bill provides that a State may agree with the Social Security Board to pay, as agent for the United States, unemployment compensation to unemployed Federal employees just as though they were entitled to the benefits of the particular State statute. If the State agrees with the Board to do this, the money to make the necessary unemployment compensation payments to unemployed Federal workers will be advanced to the State from Federal appropriations. If the State enters into this agreement the rights of an unemployed Federal worker to receive unemployment compensation payments will be governed solely by the provisions of the applicable State statute.

In the event that a State does not make such an agreement with the Social Security Board, then the bill provides that the unemployment compensation payments to unemployed Federal workers are to be made by the Civil Service Commission.

Annual Guaranteed Wage Study

One of the objectives which have been sought by labor groups is the payment of an annual guaranteed wage to wage earners. This is urged by labor representatives as a means of providing postwar security to laboring people. The bill does not announce any definite policy on this issue, but directs the Secretary of Labor to make "a full study and investigation of all details of the adoption of annual wage system." The study is to include matters such as the extent to which an annual wage system would aid full employment, the factors for and against adoption of annual wage systems in various industries, and possible governmental tax programs to promote adoption of annual wage systems. The Secretary is directed to make a preliminary report within six months from the date of enactment and to make subsequent reports from time to time.

Termination of the Act

The bill would become immediately effective upon its enactment by Congress and approval by the President and would continue in effect during the present war and for two years from the date of termination of hostilities. This date is defined as the day on which hostilities have been declared by Presidential proclamation or concurrent Congressional resolution to have stopped.

Truck Applications being Taken

The Office of Defense Transportation on August 15 resumed the acceptance of applications for the purchase of new light trucks for essential civilian use. The action is expected to dispose promptly of the small number of such vehicles remaining in dealers' stocks, ODT said.

Acceptance of applications for these trucks (below 9,000 pounds gross vehicle weight) was discontinued last month because of the exhaustion of the essential civilian pool. On August 7 Government exempt agencies relinquished their claims on the light units remaining and these units reverted to a common pool. This pool will now be drawn on by essential civilian users, as well as by Government exempt agencies.

Prices of Cured and Smoked Fish is Increased by OPA

Maximum prices on the popular varieties of cured and smoked fresh water and salt water fish have been increased through new specific dollars-and-cents ceilings fixed at the processor's level, the Office of Price Administration announced August 16. The commodities so priced are smoked mild-cured salmon (lox), smoked sablefish, smoked kippered salmon, smoked whitefish and unsmoked, mild-cured salmon. The new prices range from 26½¢ to 46¢ per pound, f. o. b. basing point city.

Prior to the establishment of the new prices, effective August 21, under Maximum Price Regulation 550, all cured and smoked fish items were priced under the provisions of the General Maximum Price Regulation. The new regulation fixes a base price at the processor's level for each smoked fish item and for mild-cured salmon at a basing point city. The processor determines his maximum price for each item by adding a fixed transportation allowance to the base price. The transportation allowance is the per pound transportation cost of the raw material from the basing point city to the processor's plant or warehouse, multiplied by a transportation factor based on the per pound gross transportation cost of smoked fish, which will compensate the processor for shrinkage of the fish in processing. Duty may be added in the case of whitefish.

Food Sales by WFA Reported

The War Food Administration has announced that food sales from Government owned stocks from July 28 through August 5 include: 47,486 cases of canned corn, 3,146 cases of evaporated milk, 1,040 cases of canned sauerkraut, 2,870 cases of canned pumpkin, and 9,599 boxes (25 pounds per box) of dried peaches. Also sold this week were 27,891 cases of canned carrots, representing part of a quantity offered by WFA July 29 to the original packers. Sold for feed were 48,000 bags (100 pounds) of dry wrinkled peas.

COURT DECISION HOLDS INVALID FDA STANDARD FOR CANNED PEAS AS APPLIED TO THE TRI-STATE AREA

There has now become available the text of Judge Coleman's opinion holding invalid, as applied to the Tri-State Area, that part of the Food and Drug Administration's minimum standard for canned peas which prescribes a maximum of alcohol insolubles of 23.5 for Alaska peas. (See INFORMATION LETTER, No. 905, p. 8327.) It appears that the Court considered the case as though a motion, supported by testimony, had been filed requesting that this part of the regulation be held invalid.

The Court reviewed the pertinent provisions of the Federal Food, Drug, and Cosmetic Act and the hearings which preceded the issuance of the regulation and the findings upon which it was based. Judge Coleman first ruled that Section 701(f)(6) permitted the defendant to question the validity of a standard wholly apart from whether he had or had not appeared at the original administrative hearing.

On the question of the validity of the alcohol insolubles test, the Court stated:

"We find from the weight of the credible evidence in the present case that, while this 'AIS' regulation embodies a fair and reasonable way per se of determining the grade of canned peas, which, in fact, the defendant admits, nevertheless the Administrator, in the tolerance allowed in the requirements imposed by that method, has failed to make the application of that method just and reasonable to the present defendant and all others in like circumstances."

The Court then quoted the FDA findings upon which the requirement of not more than 23.5 per cent of alcohol insolubles for Alaska or other smooth-skined varieties was based.

"Since, as already stated, defendant admits the reasonableness of the method prescribed in the Regulation for determining the alcohol-insoluble solids content, it is unnecesary to discuss or to describe that method.

* * *

"As has just been said, the Court is satisfied from the weight of the credible evidence introduced in the present case that this figure of 23.5 per cent imposed an undue hardship upon canners in this area, known as the Tri-State Area, comprising Maryland, Delaware and New Jersey, such as the defendant. The testimony is not all to that effect, and due credence must be given to the opposing testimony of the witnesses for the Government. But the Court can not blink the fact that they are naturally interested, or biased, in seeing that their work or the work of their associates in this matter is upheld, and when such highly qualified witnesses as the head of the Horticultural Department of the University of Maryland and the Executive Secretary of the Tri-State Packers Association testify, as they did, that it is their definite view that the allowable tolerance for all varieties of Alaska peas works an undue hardship in that it does not give sufficient tolerance to enable such peas grown in this area to be marketed with reasonable readiness and profit, the Court feels that their testimony must be given greater weight than the testimony of the Government's witnesses.

"It is uncontradicted by the testimony in the present case that a large proportion of packs in recent years in this general area are recognized as not meeting the standard required by this test, that is, they are labeled substandard, for example, in 1941, 28 per cent of the pack was sub-standard. Also, it is uncontradicted that in this area, pea packing has been declining out of proportion to the decline throughout other sections of the country. It is asserted on behalf of defendant, and the Court feels it has not been successfully contradicted, that this rigid 'AIS' requirement has had a material influence in producing these conditions.

"One or more of the witnesses testifying for the defendant have stated what they thought would be a proper, somewhat increased tolerance under the 'AIS' requirement. One witness has stated that in his opinion it ought to be placed at 24.5 in place of 23.5. Other witnesses stated they were not entirely sure in their own minds as to just what the figure should be, but that if the law does not allow the setting of a standard for each different grade of every variety of pea, then the blanket tolerance should be somewhere in excess of 23.5.

"Taking all of the aforegoing into consideration,—and the Court does not mean that because it has specifically referred to certain parts of the testimony, such is all of the testimony that supports its conclusion,—but taking the testimony as a whole, as the Court sees it, we have here a clear case where an administrative agency has promulgated a regulation, the force and effect of which is to impose a hardship upon those affected by it which is not warranted or required by either the expressed or implied language of the statute, and that, therefore, such a regulation must fail. However, we do not believe it to be this Court's duty in a case of this kind to attempt to fix, or to say, what the modified tolerance shall be, except that it shall be somewhat greater. Indeed, it would seem inappropriate for the Court to substitute its lay opinion in matters of this kind for that of the trained expert, by attempting to determine the precise increase to be granted in the tolerance.

"In short, as the Court views the problem here, the question may be divided into two parts: First, is the regulation fair and reasonable in its effect and, second, if not, what regulation would be fair and reasonable? The Court answers the first in the negative, and in answer to the second finds that a regulation giving some tolerance in excess of the tolerance set forth in the original regulation is required, but believes that the precise extent of such greater tolerance is an administrative matter to be determined after due hearing, etc., in the manner prescribed by the Act.

"Finally, the Court desires to point out that its conclusion is based upon the view that the primary object of the provisions of the Act under which this case has been brought is to protect the consumer public from adulterated and misbranded foods. We are here only concerned with foods, although the Act deals with other things. Underlying that protection is, of course, the basic idea of the promotion and preservation of health, through production and distribution of food which is not deleterious, but healthy. This, of course, presupposes that the public shall be protected from deception as to the true character of the food that is being shipped in interstate commerce. Certainly, the Government is the proper agency to surround the public with the safeguards that are necessary in order to prevent adulterated and misbranded food, but this Court believes that any regulation passed in furtherance of these basic principles exceeds the legitimate bounds of administrative regulation if it does not operate fairly and reasonably with respect to the producers or distributors of the articles involved, as well as with respect to the consumer public. It is true the Administrator is vested with broad, discretionary authority. It is also true that, for this reason, his findings are to be accepted as conclusive if supported by substantial evidence, *provided always, however, they are within statutory and constitutional limitations.* Security Adm'r vs. Quaker Oats Co., 318 U. S. 218. In the present case, we find they are not within either limitation.

"Barring cases of inherently dangerous products, as for example, poisons and habit-forming drugs with respect to which of course very stringent regulations must control, when, as here, we are dealing with one of the commonest vegetables—one of the commonest foods that all of us partake of from day to day not only in season but out (thanks to the canning industry), the rights of the grower and canner of peas must be correlated to the rights of the consumer public, so that *all* are protected in a fair and reasonable manner.

"In the present case it follows from what has been said that the Court finds the Administrator in promulgating that part of Regulation 51.001 here involved, fixing the alcohol-insoluble solids con-

tent of Alaska peas at not more than 23.5 per cent, has overemphasized the factor of consumer taste, and thereby has been so rigid in the regulation, in order to meet the consumer taste, that he has acted in undue derogation of the rights of the growers and canners of such peas in this general area. Whether this finding is actually supported by the weight of the credible testimony at the hearing which led up to the promulgation of the Regulation, we do not purport to determine. It is not necessary to do so, because, as heretofore explained, defendant is not controlled by what was proved or decided by that hearing, but has a right to have this Court decide the question of the Regulation's validity upon the evidence produced before it.

"The Administrator does not have *unlimited power* with respect to promulgating food regulations. He has *only* such power as is expressly given him or reasonably implied by the terms of the Act, so that the intent of the Act may be effectively carried out. Each case must be heard and decided upon its own facts. The Court is conscious of the fact that recently several canners appeared in this Court under similar charges, pleaded guilty and the Court imposed fines, but the legality of the regulation was not raised in those cases. Of course, had it been raised, and had all the features of the issues been presented as fully as in the present case, the Court would have been disposed to reach the same conclusion in those cases that it has reached in the present case. There is no res adjudicata as respects the present defendant by reason of what occurred in previous cases. No defendant in a criminal case is precluded, unless by some express statutory provision or unless he has himself waived the right, from testing the validity of any statute or regulation passed pursuant thereto, when prosecuted for an alleged violation of same."

Attention is directed, however, to the fact that the reported case involved only this particular variety of canned peas packed in the Tri-State Area.

Prices Increased on Imported Pineapple Packed in Brine

Maximum prices for imported pineapple packed in brine were increased by 1½ cents per pound August 12 by the Office of Price Administration to correct an error in computation, made when prices on pineapple packed in brine were issued on April 29.

The new ceilings, effective August 16, in Amendment 161 to Revised Supplementary Regulation 14, are 13½ cents per pound for No. 1 grade, 12½ cents per pound for No. 2 grade and 11½ cents per pound for No. 3 grade, ex dock, Miami, Fla., duty paid, or ex railroad car, Laredo, Texas, duty paid.

1943 PRODUCTION OF CANNED MEAT AND MEAT PRODUCTS

Statistics on the 1943 pack of canned meat and meat products in tin containers have been compiled by the Association's Division of Statistics, showing in detail the number of cans of each product packed in the principal sizes of containers for commercial sales and for the Government. The statistics are based on reports of firms estimated to have packed over 95 per cent of the total output:

Product and labeled weight	Commercial Cans	Government Cans
Bacon:		
24-oz.		20,397,245
14-lb.		6,275,178
Misc.	100,086	4,500
Beef, dried:		
6-lb.		195,718
Misc.		14,652
Beef, dehydrated, misc.		122,050
Beef & pork, corned:		
6-lb.		4,716,863
Misc.	51	4,587,530
Beef, roast:		
6-lb.		966,254
Misc.	14,364	354,688
Beef hash, corned:		
5½-lb.	316	6,507,586
6½-6¾-lb.		376,287
Misc.	52,513	108,471
Beef gravy, 30-oz.		2,159,722
Chicken, boned:		
35-oz.		876,173
Misc.	67,164	1,372,706
Chili con carne:		
16-oz.	15,744,061	655,740
6-6¾-lb.	33,470	3,946,534
Misc.	591,934	53,920
Frankfurters, misc.	102,522	20,436
Ham, deviled, 3-5-oz.	32,944,331	
Meat and beans:		
12-oz.		29,114,186
Misc.		95
Meat and vegetable stew:		
12-oz.		66,921,471
30-oz.		33,329,383
Meat and vegetable hash:		
12-16-oz.		24,996,704
6¾-lb.		492,289
Misc.		535,808
Liver loaf, misc.	1,053,722	
Pork brains:		
10¾-oz.	1,129,008	
12-oz.	918,863	
Potted or deviled meats:		
3¼-oz.	40,075,693	
5-5½-oz.	24,289,848	1,288,272
Pork and soya (links), 32-oz.		1,476,927
Pork sausage (links):		
8-oz.	698,740	
32-oz.		28,857,878
Misc.	268,288	14,018
Sausage (bulk):		
24-oz.	1,139,934	50,599,368
32-36-oz.	4,486	15,586,820
Misc.	1,011,328	27,969
Sausage, Vienna:		
4-oz.	56,364,938	346,887
24-oz.	61,406	30,819,475
5-lb.		100,319
6-lb.		259,774
Sausage in oil, misc.	842,427	
Spreads:		
3-oz.	4,006,574	10,000
Misc.	419,277	9,858,148
Tongue, lunch:		
6-oz.	2,703,373	
6-lb.	212,455	945,123
Misc.	954,740	111,517
Tongue, ox:		
22-oz.	56,366	
6-lb.	77,722	158,150
Misc.	18,405	
Boneless pressed ham and pork:		
6-lb.	203,426	
8-lb.	1,091,367	
Misc.	255,894	
Veal loaf:		
7-oz.	921,245	
Misc.	1,830	
Hams, fractional, misc.	139,180	12,024
Hams, chopped:		
12-oz.		77,634,456
2¼-lb.		23,013,102
6-lb.	45,214	4,433,564
Hams, whole, medium and large, misc.	127,726	209,341
Hams, whole, pear-shape, misc.	364,407	367,556
Hams, whole, Pullman style, misc.	282,914	13,453
Hams, spiced:		
12-oz.	9,284,573	4,211,418
3-lb.	394,634	
6-lb.	3,397,106	677,412
Misc.	8,670	902,915
Hams, picnic, misc.	47,249	
Luncheon meats:		
12-oz.	145,249,933	201,735,659
2¼-lb.		35,815,943
3-lb.	338,846	
6-lb.	12,602,881	11,058,250
Misc.	56,331	423,578
Rations, 3¼-16 oz.		29,527,752
Tushouka:		
11¼-oz.		2,056,116
15-15¼-oz.		41,260,520
28-oz.		79,722,528
Pork and gravy, 24-30-oz.		3,501,644
Ham and eggs, 3¼-30-oz.		3,260,094
Dehydrated pork, 15-16-oz.		11,713,346
Miscellaneous products.	3,105,799	23,635,362

WFA Revokes RSP Cherry Order

The War Food Administration announced the revocation, effective August 18, of War Food Order 107, which restricted the quantity of red sour pitted cherries grown in New York which any person may place in cold storage this year to 60 per cent of the quantity he placed there in 1942.

WFA officials explained that the order was issued July 14, in a move to divert red sour cherries grown in New York to canners so that Government set-aside percentages under the provisions of WFO 22.6 could be fulfilled. Since the crop has already been packed and the purpose for which the order was issued has been accomplished, the restrictions are no longer necessary.

WFA to Purchase Dry Edible Smooth Peas Again This Year

The War Food Administration has announced that its price-support program for dry edible smooth peas, which may involve the purchase of about 3,300,000 (100-pound) bags during the crop year ending June 30, 1945, will be facilitated by the issuance of master contracts to dealers instead of purchasing on a weekly offer and acceptance basis as in former years.

Beginning immediately, WFA will ask dealers to sign the master contracts indicating the quantity of eligible peas (Alaska, Bluebell, Scotch Green, First and Best, Marrowfat, White Canada and Colorado White grading U. S. No. 2 or better) which they intend to offer during the crop year. A simple tender of delivery then will be made to WFA as often as lots are available and shipping instructions will be issued. The master contract will permit shippers to use a single contract number throughout the year.

The price-support program for 1944 closely parallels the 1943 program. Support prices for the 1944 crop, announced by WFA on March 4, will be $5.65 per 100 pounds for U. S. No. 1 grade and $5.40 per 100 pounds for U. S. No. 2 grade. In addition, the WFA will make price-supporting agreements with dealers and non-recourse loans on peas stored in warehouses or on farms.

WFA Reduces Orange Set-aside

The War Food Administration, in Amendment 4 to War Food Order 6.1, reduced the quantity of California-Arizona oranges required to be set-aside for processing from 10 to 5 per cent, effective August 13. Handlers of California-Arizona oranges now will be required to set aside a quantity of oranges equal to 5 per cent of their weekly shipments in fresh fruit channels. This amount will make available sufficient oranges to assure supplies to processors who have not yet completed their quotas for single-strength orange juice for the armed services, the WFA said.

Dried Fruit Set-aside Order

Under an amendment to War Food Order 16, effective August 17, packers will continue to set aside their packs of dried apples, apricots, peaches, pears, prunes, raisins, and Zante currants for government purchase during the 1944-45 marketing season, the War Food Administration has announced. The set-aside provisions are essentially the same as those in effect during the past year.

OPA Announces Basis for Establishing Pea Prices

PERMITTED INCREASES AND PRICE RANGES PER DOZEN CONTAINERS FOR PROCESSORS OF PACKED PEAS WHO MADE SALES DURING THE BASE PERIOD

ALASKA PEAS—No. 2 Cans

Areas and sieve size	Fancy		Extra Standard		Standard	
	Permitted increase	Price ranges	Permitted increase	Price ranges	Permitted increase	Price ranges
Area 1:						
No. 1	$0.40	$1.79–$2.05	$0.38	$1.63–$1.77	$0.36	$1.60–$1.68
No. 2	.40	1.62– 1.88	.38	1.51– 1.65	.36	1.48– 1.56
No. 3	.40	1.48– 1.74	.38	1.35– 1.49	.36	1.33– 1.41
No. 4 and up	.40	1.38– 1.64	.38	1.25– 1.39	.36	1.23– 1.31
Ungraded	.40	1.38– 1.64	.38	1.25– 1.39	.36	1.23– 1.31
Area 2:						
No. 1	.45	2.00– 2.10	.43	1.70– 1.84	.41	1.54– 1.66
No. 2	.45	1.83– 1.93	.43	1.55– 1.69	.41	1.41– 1.53
No. 3	.45	1.66– 1.76	.43	1.41– 1.55	.41	1.28– 1.40
No. 4 and up	.45	1.54– 1.64	.43	1.30– 1.44	.41	1.18– 1.30
Ungraded	.45	1.54– 1.64	.43	1.30– 1.44	.41	1.18– 1.30
Area 3:						
No. 1	.36	1.80– 2.00	.33	1.57– 1.71	.31	1.41– 1.53
No. 2	.36	1.66– 1.86	.33	1.45– 1.59	.31	1.30– 1.42
No. 3	.36	1.48– 1.68	.33	1.29– 1.43	.31	1.16– 1.28
No. 4 and up	.36	1.35– 1.55	.33	1.18– 1.32	.31	1.07– 1.19
Ungraded	.36	1.35– 1.55	.33	1.18– 1.32	.31	1.07– 1.19
Area 4:						
No. 1	.39	1.80– 1.92	.35	1.56– 1.66	.33	1.40– 1.48
No. 2	.39	1.66– 1.78	.35	1.45– 1.55	.33	1.29– 1.37
No. 3	.39	1.46– 1.58	.35	1.28– 1.38	.33	1.16– 1.24
No. 4 and up	.39	1.36– 1.48	.35	1.18– 1.28	.33	1.07– 1.15
Ungraded	.39	1.36– 1.48	.35	1.18– 1.28	.33	1.07– 1.15
Area 5:						
No. 1	.36	1.79– 1.99	.34	1.55– 1.71	.32	1.44– 1.58
No. 2	.36	1.65– 1.85	.34	1.43– 1.59	.32	1.34– 1.48
No. 3	.36	1.46– 1.66	.34	1.27– 1.43	.32	1.19– 1.33
No. 4 and up	.36	1.34– 1.54	.34	1.16– 1.32	.32	1.10– 1.24
Ungraded	.36	1.34– 1.54	.34	1.16– 1.32	.32	1.10– 1.24

SWEET PEAS—No. 2 Cans

Areas and sieve size	Fancy		Extra Standard		Standard	
	Permitted increase	Price ranges	Permitted increase	Price ranges	Permitted increase	Price ranges
Area 1:						
No. 1	$0.43	$1.79–$1.99	$0.41	$1.68–$1.84	$0.38	$1.59–$1.73
No. 2	.43	1.76– 1.96	.41	1.65– 1.81	.38	1.57– 1.71
No. 3	.43	1.58– 1.78	.41	1.48– 1.64	.38	1.41– 1.55
No. 4	.43	1.50– 1.70	.41	1.41– 1.57	.38	1.34– 1.48
No. 5 and up	.43	1.44– 1.64	.41	1.35– 1.51	.38	1.28– 1.42
Ungraded	.43	1.53– 1.73	.41	1.34– 1.50	.38	1.27– 1.41
Area 2:						
No. 1	.36	1.71– 1.91	.34	1.60– 1.76	.32	1.39– 1.53
No. 2	.36	1.68– 1.88	.34	1.57– 1.73	.32	1.36– 1.50
No. 3	.36	1.52– 1.72	.34	1.42– 1.58	.32	1.23– 1.37
No. 4	.36	1.44– 1.64	.34	1.35– 1.51	.32	1.17– 1.31
No. 5 and up	.36	1.38– 1.58	.34	1.29– 1.45	.32	1.12– 1.26
Ungraded	.36	1.47– 1.67	.34	1.38– 1.54	.32	1.20– 1.34
Area 3:						
No. 1	.36	1.71– 1.91	.34	1.60– 1.76	.32	1.39– 1.53
No. 2	.36	1.68– 1.88	.34	1.57– 1.73	.32	1.36– 1.50
No. 3	.36	1.52– 1.72	.34	1.42– 1.58	.32	1.23– 1.37
No. 4	.36	1.44– 1.64	.34	1.35– 1.51	.32	1.17– 1.31
No. 5 and up	.36	1.38– 1.58	.34	1.29– 1.45	.32	1.12– 1.26
Ungraded	.36	1.47– 1.67	.34	1.38– 1.54	.32	1.20– 1.34
Area 4:						
No. 1	.35	1.67– 1.79	.31	1.54– 1.66	.29	1.32– 1.44
No. 2	.35	1.64– 1.76	.31	1.52– 1.64	.29	1.29– 1.41
No. 3	.35	1.46– 1.58	.31	1.36– 1.48	.29	1.17– 1.29
No. 4	.35	1.41– 1.53	.31	1.30– 1.42	.29	1.11– 1.23
No. 5 and up	.35	1.37– 1.49	.31	1.24– 1.36	.29	1.06– 1.18
Ungraded	.35	1.47– 1.59	.31	1.36– 1.48	.29	1.16– 1.28
Area 5:						
No. 1	.36	1.66– 1.86	.33	1.54– 1.70	.31	1.38– 1.52
No. 2	.36	1.63– 1.83	.33	1.51– 1.67	.31	1.36– 1.50
No. 3	.36	1.46– 1.66	.33	1.36– 1.52	.31	1.22– 1.36
No. 4	.36	1.39– 1.59	.33	1.29– 1.45	.31	1.16– 1.30
No. 5 and up	.36	1.33– 1.53	.33	1.24– 1.40	.31	1.11– 1.25
Ungraded	.36	1.42– 1.62	.33	1.33– 1.49	.31	1.19– 1.33

LARGE SEEDED SWEETS (such as Prince of Wales, Laxton, and Profusions)—No. 2 Cans

Areas and sieve size	Fancy Permitted increase	Fancy Price ranges	Extra Standard Permitted increase	Extra Standard Price ranges	Standard Permitted increase	Standard Price ranges
Ungraded (a):						
Area 1	$0.50	$1.73-$1.93	$0.46	$1.48-$1.64	$0.42	$1.35-$1.49
Area 2	.50	1.66- 1.98	.46	1.48- 1.64	.42	1.30- 1.44
Area 3	.50	1.66- 1.98	.46	1.48- 1.64	.42	1.30- 1.44
Area 4	.50	1.53- 1.85	.46	1.47- 1.63	.42	1.24- 1.38
Area 5	.50	1.53- 1.85	.46	1.47- 1.63	.42	1.24- 1.38

(a) "Ungraded" means not separated by sieve sizes.

BLENDS OF SIEVE SIZES: (1) Blends of more than Two Sieve Sizes—No. 2 Cans

Areas and variety	Fancy Permitted increase	Fancy Price ranges	Extra Standard Permitted increase	Extra Standard Price ranges	Standard Permitted increase	Standard Price ranges
Alaska:						
Area 1	$0.40	$1.49-$1.75	$0.38	$1.37-$1.51	$0.36	$1.33-$1.43
Area 2	.45	1.67- 1.77	.43	1.42- 1.56	.41	1.29- 1.41
Area 3	.36	1.50- 1.70	.33	1.31- 1.45	.31	1.16- 1.30
Area 4	.39	1.49- 1.61	.35	1.30- 1.40	.33	1.17- 1.25
Area 5	.36	1.48- 1.68	.34	1.29- 1.45	.32	1.21- 1.35
Sweet:						
Area 1	.43	1.57- 1.77	.41	1.48- 1.62	.38	1.40- 1.54
Area 2	.36	1.50- 1.70	.34	1.41- 1.57	.32	1.22- 1.38
Area 3	.36	1.50- 1.70	.34	1.41- 1.57	.32	1.22- 1.36
Area 4	.35	1.47- 1.59	.31	1.36- 1.48	.29	1.16- 1.28
Area 5	.36	1.45- 1.65	.33	1.35- 1.51	.31	1.21- 1.35

(2) The maximum price for a blend of two sieve sizes for a variety and grade shall be the same as the maximum price for the largest sieve size in the blend.

(3) In blends of two sieve sizes of a variety and grade of peas, not more than 10 per cent shall consist of peas larger than the largest sieve size declared in the blend, and not more than 2 per cent shall consist of peas which are two or more sieve sizes larger than the largest size declared in the blend.

(4) In blends of three sieve sizes of a variety and grade of peas, not more than 5 per cent shall consist of peas larger than the largest sieve size declared in the blend, and not more than 1 per cent shall consist of peas which are two or more sieve sizes larger than the largest sieve size declared in the blend.

WFA TO HELP CANNERS PROCESSING NORTHWEST PEARS BY PAYING A PORTION OF THE TRANSPORTATION COSTS

A program to authorize equalization payments which will permit canners located outside the pear-producing areas of the Northwest to help process an expected surplus of Bartlett pears in those areas this season and sell them within their ceiling prices, was announced August 17 by the War Food Administration.

The program is designed to encourage maximum production of canned pears in the Pacific Coast area to more fully meet civilian requirements; and to utilize this year's increased production which is expected in the Washington and Oregon areas. Equalization payments will be made to canners who submit bids which are accepted by the Office of Distribution. Such payments would permit canners to pay to the growers in the surplus area the announced support prices for canning pears, ship the pears from the surplus area to their canning plants, process them, and sell them within their ceiling prices. The announced grower support prices average $73 per ton for Washington and Oregon.

The rate of payment will be determined on the basis of bids submitted by canners, who are required to state the price per ton of raw pears which they require as a reimbursement, to enable them to purchase pears in specified areas outside their normal areas of supply, and sell the canned product within their ceiling prices. All payments will be made through the Commodity Credit Corporation on the basis of the bids accepted by the Office of Distribution. Further details of the program will be announced by the WFA's Office of Distribution of San Francisco.

The overall demand for pears, in fresh or processed form, is expected to remain at a high level this year. In order to meet this demand and to prevent the loss of that fruit, surpluses, which shall be determined by the Director of Distribution or his authorized representative, will be moved from areas of production in which there are insufficient processing plants or processing labor and a scarcity of containers for fresh shipment, to outside canning plants, WFA officials said.

The price of pears packed by certified canners is supported under WFA's canned fruit support program which protects the canners of pears, peaches, and apricots against price declines for the canned product, provided the canner pays the announced support price to the grower.

Indicated 1944 Alaska Salmon Pack is 20% Less than 1943

Largely because of smaller runs of fish, the pack of Alaska canned salmon is running about 20 per cent below last year's production, the Office of the Coordinator of Fisheries reported August 16.

The pack of all species of salmon in Alaska had reached a total of 3,119,600 cases by August 5, compared with 3,791,411 cases on August 7, 1943. The Alaska salmon season will be practically completed by the end of August, later catches amounting to only one or two per cent of the season's production.

The following figures, as reported by the U. S. Fish and Wildlife Service, show the pack by regions and varieties through August 5:

Regions	1943 to Aug. 7 Cases	1944 to Aug. 5 Cases
Western and Central Alaska	2,951,098	2,483,338
Southeastern Alaska	840,313	636,352
Total	3,791,411	3,119,690
VARIETIES		
Red	1,886,703	1,477,781
Pink	1,204,674	909,518
Chum	588,441	626,490
Coho	65,381	72,508
King	46,212	33,393
Total	3,791,411	3,119,690

Canners Earn "A" Awards

Cited for outstanding performance in the food processing field, the following canning plants will be presented with the War Food Administration achievement "A" award.

H. L. Forhan Co., Gorham, Me.; Sycamore Preserve Works Corp., Sycamore, Ill.; Wilson & Company, Inc., Albert Lea, Minn.; French Sardine Co., Inc., Terminal Island, Calif.; and Rocky Mountain Packing Corporation plants at Ephriam, Manti, Murray, Ogden and Tremonton, Utah.

To qualify for the "A" award, seasonal food processors must meet rigidly high standards similar to those required of plants qualifying for the Army-Navy "E" award. The same plant cannot be presented with both awards.

Canner Associations Meetings

The Indiana Canners Association will hold its annual meeting November 16-17 at the Claypool Hotel in Indianapolis.

The annual meeting of the Tri-State Packers Association will be held November 30 and December 1 at the Claridge Hotel, Atlantic City, N. J.

Frozen Fruit and Vegetable Stocks Held in Cold Storage

Stocks of frozen fruits in storage on August 1, 1944, totaled 208,097,000 pounds against 129,494,000 on July 1, 1944, and 162,034,000 on August 1, 1943, according to the War Food Administration. Frozen vegetable stocks on August 1, 1944, were 135,059,000 pounds against 114,455,000 on July 1, this year, and 100,066,000 on August 1, 1943. The following table furnishes details by commodities:

	Aug. 1, 1943	July 1, 1944	Aug. 1, 1944
	1,000	*1,000*	*1,000*
FRUITS	*lbs.*	*lbs.*	*lbs.*
Apples	.....	10,065	8,514
Blackberries	5,950	3,390	4,991
Cherries	28,505	5,361	41,612
Young, Logan, Boysen, etc	5,355	2,836	10,146
Raspberries	18,814	4,536	16,738
Strawberries	34,800	31,208	32,686
Grapes	.....	4,926	3,812
Plums and prunes	.....	3,627	3,012
Peaches	.....	3,226	3,172
Fruit juices and purees	.....	8,942	11,818
*All other fruits	68,592	51,377	71,596
Total	162,034	129,494	208,097
VEGETABLES			
Asparagus	5,775	6,922	6,205
Beans, lima	4,067	2,135	1,738
Beans, snap	3,030	5,189	6,551
Broccoli, green	783	2,969	3,114
Cauliflower	.....	1,237	1,206
Corn, sweet	1,326	3,610	2,230
Peas, green	38,669	23,575	47,662
Spinach	7,144	12,091	12,332
Brussel sprouts	.....	1,709	1,999
Pumpkin and squash	.....	2,315	2,881
Baked beans	.....	2,547	3,630
Vegetable purees	.....	419	511
All other vegetables	39,272	49,737	44,971
Total	100,066	114,455	135,059

* Blueberries now included with "All other fruits."

Pea and Bean Insect Conditions for the Week Ending August 12

According to a statement issued by the Bureau of Entomology and Plant Quarantine an examination of approximately 200 acres of peas on 35 farms in Aroostook County, Me., showed an increase in intensity of pea aphid infestation. Several fields badly damaged by this insect. Only small quantities of insecticides are available.

Late plantings of snap beans in garden areas of central Maryland show considerable injury by bean beetle adults. Moderate populations of the bean beetle, principally in small plantings or gardens are reported from Alabama, South Carolina, and northern New Jersey. Light infestation of the Mexican bean beetle prevail in the remainder of the territory reported upon. The bean leafhopper is increasingly abundant and causing moderate injury in some counties of New York, in New Jersey, Wisconsin, and Florida. The bean leaf roller is abundant on legumes in Florida and infests lima beans in Georgia. The bean leaf beetle is reported as moderately abundant in Mississippi. In South Carolina the lima bean vine borer is causing considerable damage in home gardens. In western Washington the bean aphid is abundant on beans.

In general, insecticide supplies appear to be adequate for the principal bean insect pests. Present indications are that additional supplies of rotenone will be needed in western North Carolina, however, to combat late season infestations of the Mexican bean beetle. Pyrethrum is urgently needed to combat the bean leafhopper in New Jersey.

WFA Has Canned Carrots, Corn, Tomato Juice, Olives for Sale

The War Food Administration is offering for sale 27,000 cases (24/2's) of Grade A, diced canned carrots; 13,965 cases (24/2's) of Standard and 6,874 cases (24/2's) of Below Standard, Golden-Cream style canned corn; 4,733 cases (12/46 oz.) of canned tomato juice; and 6,177 cases (12/32 oz.) jars of olives, grading petite, medium, standard, jumbo queen, giant green, mammoth, and extra large. The carrots and corn are located in Oakdale, Calif. and Youngstown, Ohio, respectively, and are being offered to all processors of these commodities. The tomato juice is located in San Francisco and the olives in Stockton, Calif., and they are being offered only to the original packers of these foods.

Pres. Haxton's Speech Mailed

Through the courtesy of the Union Pacific Railroad, the Association has been furnished with copies of the speech which President G. Sherwin Haxton delivered a short time ago over the NBC network and last week mailed copies to all canners. President Haxton's speech was entitled, "A Tribute to the Canning Industry," and was delivered over the coast-to-coast weekly radio program—"Your America."

Subsidy Includes Green Peas

Canned green peas as well as canned green and wax snap beans are included in the War Food Administration's 1944 canned vegetables subsidy program. The reference to canned green "beans" appearing in the sixth paragraph of the article, "Care Urged in Executing Subsidy Contract Forms," in the August 12 issue of the LETTER was intended to read canned green "peas."

WFA Specifies Tomato Sauce to be Used for Canned Pilchards

The War Food Administration has announced that, through an oversight, specifications for tomato sauce to be used in packing pilchards were omitted from its Announcement Awd-135.

The specifications are identical with the specifications used for the 1943 pack, the WFA said, and are as follows:

"When tomato sauce is used, No. 1 oval and No. 300 (300 x 407) cans shall have added at the time of packing not less than 1½ oz. of tomato sauce having a specific gravity of not less than 1.06 before the addition of salt and spices, except that tomato sauce of a lower specific gravity may be used provided sufficient additional sauce is added so that the total amount of tomato solids of the lower specific gravity of tomato sauce shall be equal to the total amount of tomato solids in 1½ oz. of tomato sauce having a specific gravity of 1.06 before the addition of salt and spices.

"There shall be added to a smaller or larger size container an amount of tomato sauce proportionate to that added to the No. 1 size can.

"Tomato sauce shall be made from whole ripe tomatoes and may have added salt and spices but no sugar, and must comply with the applicable requirements of the Federal Food, Drug, and Cosmetic Act as amended. At time of cut-out tomato sauce shall be of good consistency and not excessively oily."

Gindick Given New OPA Post

Appointment of Franklin Gindick, of Sacramento and Berkeley, Calif., as acting head of the Office of Price Administration's Fresh Fruit and Vegetable Section was announced August 16.

Mr. Gindick succeeds C. N. McClanahan, who has returned to a position with the California Tree Fruit and Tokay Marketing Agreement, Sacramento, Calif.

Before he became associated with OPA in June, 1942, Mr. Gindick was with the U. S. Department of Agriculture in California, where he served as a specialist in fruits and vegetables. He is a graduate of the University of California where he specialized in agricultural economics.

As chief economist of the OPA Fresh Fruit and Vegetable Section almost from its inception, Mr. Gindick originated many of the techniques of price control for these farm commodities. He also worked on all of the pricing schedules that are now part of the various fruit and vegetable regulations.

He has appeared as an official OPA representative at many trade conventions.